NPAs of Banks and Financial Institutions

225. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE be pleased to state:

(a) the total amount of NPAs of banks and financial institutions as on 31st March, 2001;

(b) whether the RBI have any scheme for one time settlement; and

(c) if so, the details of such scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) According to the available information the total gross Non-Performing Assets (NPAs) of the public sector banks and all India financial institutions is Rs. 71,928 crores, as on 31st March, 2001.

(b) and (c) Reserve Bank of India (RBI) have issued guidelines in July, 2000 to all public sector banks for recovery of dues relating to Non-Performing Assets (NPAs). These guidelines cover:—

(i) All"N£As in all sectors irrespective of the nature of business, which have become 'doubtful' or 'loss' as on 31st March, 1997 as well as 'sub-standard' as on 31.3.1997 which have subsequently become 'doubtful' or 'loss' category with outstanding balance of Rs. 5 crore and below on the cut-off date.

(ii) Cases pending before Courts/DRTs/BIFR.

(iii) Cases of willful default, fraud and malfeasance will not covered.

These guidelines also contain the settlement formula, mode of payment etc. As regard NPAs of Rs. 5 crore and above, their guidelines provide for personal supervision of such cases by the Chairman & Managing Directors and evolving of policy guidelines by the Board of Directors for one-time settlement of such cases. The last date for receiving applications was 30.6.2001.

RBI had advised all the Central Public Financial Institutions that the above guidelines should also be uniformly implemented by them.